The Tanfield Group Plc

25 September 2007

THE TANFIELD GROUP PLC

("TANFIELD" OR THE "GROUP")

INTERIM RESULTS

FOR THE SIX MONTHS TO 30 JUNE 2007

The Tanfield Group Plc, the leading manufacturer of zero emission electric vehicles and aerial work platforms, is pleased to announce its unaudited interim results for the six month period to 30 June 2007.

Highlights

- Strong financial performance across the Group:
  - Turnover increased 120% to £36.8m (2006: £16.5m)
  - Pre tax profit increased 209% to £5.4m (2006: £1.7m)
  - EBIT 14.3% of sales (2006: 13.3%)
  - Net cash at 30 June of £4.7m - supporting further growth
  - Post Snorkel deal cash balance of £42m
- Production lines for electric vehicles now installed and fully operational at Vigo, UK - on track to achieve a capacity of 30 new technology electric vehicles per week at the beginning of Q1 2008
- Volume order from major fleet operator for 50+ electric vehicles – customer requirements for 2008 already exceeds 600 vehicles
- Partnership with Ford for electric vehicles for US market – US production to commence in December 2007
- The Board expects US production curve for electric vehicles in 2009 to be steeper than the UK
- Completion of first stage of Snorkel integration – already achieved £20m cross-selling to existing EMEA customers
- Third crane line for UpRight installed at Vigo, UK, further increasing output to 200 units per week capacity in September 2007
- Shipped first production electric vehicle fitted with lithium-ion phosphate battery pack – increasing addressable market

Commenting, Darren Kell, Chief Executive of The Tanfield Group Plc, said:

"Once again, Tanfield has delivered excellent results and achieved high growth in both core divisions of Powered Access and Zero Emission Vehicles.

The integration of Snorkel International has progressed very smoothly and we can now focus on growing global sales, while achieving significant cost savings through supply chain synergies with our established powered access operation, UpRight.

We have strengthened the management team, grown the forward order book and worked extensively with our supply chain to gear up for increased volume, in both Powered Access and Zero Emission Vehicles. The foundations are now in place for further strong, organic growth in the second half of 2007 and beyond."

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Notes to editors

The Tanfield Group Plc is the world's leading developer and manufacturer of road-going commercial electric vehicles and aerial work platforms. Tanfield is headquartered in Newcastle with operations in both the North America and EMEA regions. It has two main divisions:

Smith Electric Vehicles, was founded in 1920 and acquired by Tanfield in October 2004. Following its acquisition, Smith is developing into a world leader in new technology electric vans and trucks with greatly enhanced performance, speed and range capabilities. This makes them attractive for all fleet operators in large towns, cities and closed industrial environment. For the first time, these fleet operators have economically viable, zero emission alternatives to using diesel vans and trucks. Smith has an unrivalled UK-wide service and support network, which already maintains over 5,000 vehicles for major fleet operators. This core element of the business is beginning to fulfil its potential in terms of addressing the requirements of large urban fleet operators, who want to reduce their operational costs and more importantly, greatly reduce their carbon footprint. Smith's airport offering is complemented by two specialist airport vehicle sub-divisions; Jumbotugs and Norquip.
www.smithelectricvehicles.com

Powered Access, contains two of the world's most established aerial work platform brands, UpRight Powered Access and Snorkel International. **UpRight** is firmly established as the UK's biggest manufacturer of self-propelled aerial work platforms (also known as "cherry-pickers", "mobile elevating work platforms", "aerial lifts", etc). UpRight has assembly facilities in the UK and USA, with products sold through a strong network of over 180 independent, full-service distributors across Europe, the Middle East and Asia-Pacific regions. **Snorkel**, acquired in July 2007, has significant manufacturing capabilities along with strong sales and distribution, in the USA and Australasia. Tanfield has been successful in extending its powered access product range and is now one of only three "full line" aerial lift manufacturers to have a significant assembly footprint in both the North America and EMEA regions, in what is a $7bn global market.
www.upright.com / www.snorkelusa.com

THE TANFIELD GROUP PLC

CHAIRMAN'S STATEMENT

I am pleased to report another successful six months for the Group. We have delivered an excellent performance across all of our key business measures including turnover and profit, whilst continuing to invest to support our future expansion.

The Tanfield Group Plc operates in two high growth markets – aerial work platforms (also known as powered access, aerial lifts, cherry pickers, etc) and road-going commercial electric vehicles.

Following the acquisition of Snorkel Holdings LLC ('Snorkel') for £50m, announced on 28 June 2007, the Group's Powered Access division is now one of only three "full line" manufacturers in the world that has a significant manufacturing footprint in both the USA and EMEA territories.

The aerial work platforms are sold both direct and via a global network of over 180 independent distributors, who can provide a high level of local service and product support. The machines are deployed largely in repair and maintenance applications and in non-residential construction.

Tanfield's zero emission vehicle brand Smith Electric Vehicles, is the world's largest manufacturer of road-going commercial electric vehicles. The Smith Newton is the world's largest road-going electric truck, while the Smith Edison is the world's first van-sized, high performance electric vehicle.

The vehicles have a range of up to 150 miles on one battery charge, a top speed of 50mph and similar payload capabilities to the equivalent diesel-powered vehicles. Designed specifically for intra-city operations, key markets include logistics; retail distribution; mail/parcel delivery; and utilities.

Financial Performance

The first six months to 30 June 2007 once again demonstrated a high level of profitable growth. Turnover rose to £36.8m, an increase of 120% against the first half of 2006 and close to the full year figure for 2006, of £40.9m. Pre-tax profit further increased to £5.4m, up more than 200% compared to the first half of 2006 and more than 50% higher than the £3.5m achieved in the whole of 2006.

EBIT reached 14.3% of sales (13.3% for full year 2006) demonstrating our continued control of margins while delivering strong growth. Similar financial control continues to be exercised with regard to working capital. Net cash at 30 June 2007 was £4.7m providing funds supporting further growth in line with our expectations for the second half of 2007.

It was particularly pleasing to see strong organic growth in both of the Group's key divisions - Powered Access and Zero Emission Vehicles, compared to the previous six months at the end of 2006. The acquisition of Snorkel was completed after the close of H1 2007.

The Powered Access Division increased turnover 511% to £19.1m (2006: £3.1m), with profit margins materially improving to 18%.

Turnover in the Zero Emission Vehicles Division rose 47% to £13.1m (2006: £8.9m), with the profit margins improving to 15.8% (2006: 13.6%).

Working capital remains in line with expectations, at 36% of annual sales (42% at 31 Dec 06) reflecting both the Group's steep output growth curve and the payment terms in advance of delivery of goods from our low-cost suppliers, particularly in the Far East.

The pressure on working capital will reduce in the second half of 2007. Although the absolute quarter-to-quarter growth forecast remains high, the ratio of incremental sales to delivered sales does reduce. This means that cash generation will fund a higher proportion of the working capital increase required to support growth in the second half of the year.

41% of Powered Access payments in June 07 were payments in advance of receipt to low cost base suppliers (4% at June 2006). The cost savings more than justify the cash cost. For example, in re-introducing the UpRight AB46 boom lift, components from China are 55% of the cost of the previous US supply base, whereas the cash cost is circa 2%.

Delivering Our Strategy

The first half of 2007 saw the execution of a new strategy for Zero Emission Vehicles, with the Division moving away from small scale production towards a streamlined, efficient volume assembly line operation at our UK facility, Vigo Centre. A large amount of time and resource went into understanding and implementing this new culture and methodology, while also ensuring that the supply chain was developed and demonstrated an ability to build in the additional required capacity.

I am delighted to say that this Division is now fully geared up for volume production in 2008. It is also pleasing to note that during this period, the Group has continued to successfully develop both new and existing markets for its unique electric vehicles.

The third 90 metre crane line at Vigo Centre is installed and fully operational, providing enough headroom to increase output of UpRight Powered Access products to 200 units per week.

The growth plan for Powered Access of £250,000 per week in Q1 of 2007, increasing to £750,000 per week in Q2, was exceeded. This provides an excellent platform for the Division to deliver its further planned sales growth in the third and fourth quarters of this year.

Snorkel Acquisition and £115m Placing

On 28 June 2007, we announced the proposed acquisition of Snorkel Holdings LLC and the proposed placing to raise £115 million. These were both successfully completed on 1 August 2007. Tanfield acquired the entire share capital of Snorkel for approximately £50.0m and assumed approximately £12.5m of debt, leaving the Group debt free.

Snorkel is a worldwide supplier of high quality industrial aerial work platforms. The products have a wide range of working at height applications and are supported by a comprehensive after-sales network.

Snorkel has significant manufacturing capabilities, allied to strong sales and distribution in the USA and Australasia. The Director's believe that Snorkel's product range, which is focused on medium to large articulated and telescopic booms, is proving to be an excellent complementary fit with the Group's existing UpRight product suite, which has a particularly strong small to medium sized lift offering. This means Tanfield is now one of only three "full line" aerial lift manufacturers to have a significant assembly footprint in both the North America and EMEA regions, in what is a $7bn global market.

People

As a high growth company and to help to service the growing demand for our products, we are investing in additional staff and strengthening the management team further.

Key appointments at UpRight Powered Access during the period include Richard Tindale as Sales & Marketing Director and Martin Connolly as International Sales Manager.

Richard Tindale worked for UpRight during its initial growth phase in Europe during the 1990s and has worked in the industry for over 20 years. Martin Connolly's principal role is to continue to develop UpRight's distributor network, and we are already noticing a step change. In addition to the augmentation of the dealer network we have also continued the successful strategy of replacing and upgrading dealers in underperforming territories, providing the Division with stronger representation and better sales channels. The increased scale and credibility of the enlarged powered access division is breeding further success as well-established dealers and distributors are attracted to our brands and seek out opportunities to represent us.

In the Zero Emission Vehicles Division, we have appointed Doug MacAndrew as Technical Director. Doug joins us from McLaren and has a wealth of experience in automotive engineering. Doug has directed the transformation in Smith into volume assembly and has also spearheaded the project to integrate lithium-ion phosphate battery packs into our new technology electric vehicles.

The recent acquisition of Snorkel International also brings added experience and expertise to the global management team; in particular Frank Scarborough, President of Snorkel, who has a superb track record in developing global sales for aerial work platforms.

Management continues its ongoing review of Group activities to ensure we maintain focus on our core business.

Board Changes

We also welcome Colin Billiet as Non-Executive Director, who adds another dimension to the Board. Colin was previously Chief Executive of filtration product manufacturer Domnick Hunter Group plc (1997 – 2006). He has vast experience in developing a high growth, profitable, global manufacturing operation.

On 1st January 2008, I will step down as Executive Chairman, but will remain Group Chairman in a non-executive capacity. The move to Non-Executive Director will allow me to concentrate on some of my other private business interests. However, as the founder of Tanfield, I remain dedicated to the Company and will continue to play a very active role in its future development.

Outlook

This has been another transformational period for the Group and I thank all of our people for their sterling efforts over the past six months. I would also like to welcome those who joined the business during this period, including the people from Snorkel International in the USA, Australia, New Zealand and Europe, who officially became part of Tanfield in August 2007.

Powered Access continues to make headway into new territories through the growing distributor network and the increasing interest from rental companies in our expanded and improved product range. Zero Emission Vehicles is now ready for volume production and the level of interest from urban fleet operators continues to be extremely high.

We maintained or improved margins during another period of sales/production ramp-up and our cash position remains strong.

The 66% turnover growth achieved against H2 2006 was entirely organic and the development of Vigo Centre during H1 2007 provides a springboard from which output and sales can further increase, this year and beyond.

Roy Stanley
Chairman
The Tanfield Group Plc

CHIEF EXECUTIVE'S REVIEW

Smith Electric Vehicles

Tanfield built and shipped 60 vehicles during the first half of 2007, in line with internal targets, and the forward order book remains extremely healthy. As of September 2007, the order book to the end of the calendar year stood at £6.1m. As outlined below, developments to the production line will enable us to supply a further 200 vehicles in the second half of 2007.

Feedback from customers who have purchased seed vehicles remains extremely positive. We are now allocating volumes to major fleet operators, in line with our build capacity and their fleet replacement schedules. Customer requirements for 2008 are already exceeding 600 electric vehicles.

In September 2007, the Group completed the installation at Vigo Centre of three new assembly lines for the Edison van, which is now moving to volume production. Current capacity for Edison is 3 vehicles per week. Output will increase to 6 per week by October 2007 and 18 per week by December 2007, providing a capacity for 900 vehicles per annum in 2008.

The production process for the Smith Newton truck is now fully prepared for volume assembly. Current build capacity for Newton is 1 vehicle per day. Tanfield has increased the direct workforce employed on Newton by 150%, to grow output to 2 vehicles per day by the end of 2007, providing a capacity for 500 vehicles per annum in 2008.

This will give us the capability to build 28 vehicles per week by December 2007, in line with our stated aim to achieve capacity of 30 new technology electric vehicles per week at the beginning of Q1 2008.

Production of US-specific vehicles for North America will commence in the USA in December 2007. At the request of Ford, the Group will become the first company in the world to introduce the Ford Transit to the US market, using its body shell for our Smith Edison model.

Using the Transit body shell will further differentiate Smith Electric Vehicles from other commercial diesel vehicle marques already available in North America, but it is not so different as to appear alien. It gives us instant access to the benefits of hundreds of millions of dollars invested in vehicle chassis and cab design; while we have also developed a significant level of expertise in integrating the Transit body shell with our electric drive train.

Entering the USA with Transit further strengthens our relationship with Ford, which has already instructed its entire UK dealer network to direct all customer requests for electric vehicles to Tanfield.

Initially, vehicles will be assembled at the Group's existing facility in Fresno, California. Our strategy will mirror that of the development of Vigo Centre, with limited output in 2008 to establish the market, the production processes and the localised supply chain. However, we expect the US production curve in 2009 to be even steeper than that of our UK facility.

In September 2007, the Company built and shipped the first Smith Electric Vehicles production model fitted with a lithium-ion phosphate battery pack. Lithium-ion phosphate is a highly stable platform which provides an energy density either equal or greater to the current battery technologies utilised in both the Smith Newton truck and Smith Edison van. Moreover, lithium-ion phosphate batteries can be packaged in much smaller quantities, providing better chassis weight distribution on both vehicle platforms and improved cubic volume carrying capacity for the Edison marque.

Our initial prototype and validation tests of Lithium-ion phosphate have indicated that it is a very robust battery, offering a longer lifespan; with a significantly shorter recharge time. It also does not require the heat-charging needed by the current battery technologies to maintain operating efficiency.

The Group has negotiated supply agreements with 4 Lithium-ion battery pack manufacturers in North America, the Far East and Northern Europe/Scandinavia and is satisfied that there is more than sufficient supply chain capability to meet our Edison and Newton production requirements for 2008.

Powered Access

The integration of the customer-facing operations of Snorkel International is now complete. We are on schedule to deliver substantial cost synergies through ongoing supply chain rationalisation.

The Company is already realising the cross-selling opportunities presented by pushing the established UpRight products into the Snorkel customer base and vice versa – the Group has already achieved £20m of cross-selling to existing EMEA customers. A leading second-tier US rental company and established Snorkel customer, has already ordered 150 units from the UpRight electric lift range. During August, Snorkel Australasia set a new record for monthly sales, with an order for 200 scissor lifts and 30 boom lifts.

Snorkel has appointed two new distributors in the USA (Pennsylvania and Missouri) and two in Latin America (Nicaragua, Mexico). The US market forward order book for the remainder of the calendar year at Snorkel is at its highest level for over 5 years, rising from US$18.5m at the end of June 2007, to US$26.7m as of 20th September 2007. The order book, to the end of the calendar year, for UpRight Powered Access equipment produced at Vigo Centre, stands at £25.9m as of 20th September 2007.

In order to fulfil the strong appetite from smaller rental companies and end users in the USA, Tanfield is opening an additional 50,000sq ft (4,500sq m) of assembly floor space at Snorkel's Kansas (USA) facilities. This is part of a modular plan to add up to 200,000sq ft of manufacturing footprint at Snorkel, over the next 12 months.

Going forward, Snorkel will be the Group's lead Powered Access brand in the Americas and Australasia. In these markets, key machines from the Group's established UpRight range will be re-badged and sold as Snorkel products. These additions to the Snorkel range will be wholly manufactured in Kansas, with the first products expected to be shipped in Q4 2007. This will free up our facility in Fresno, California, to concentrate on assembly of Smith Electric Vehicles and "static" access platforms such as trailer mounted booms and push-around lifts.

Snorkel's already strong management team and sales force will be augmented with minor tactical appointments and a wider recruitment drive is underway to facilitate the ramp-up in US machine assembly.

Demand for UpRight products will see output capacity at Vigo Centre further increased by 33%, from 150 machines per week to 200 per week. This will be achieved by increasing throughput on the third 90 metre crane line, installed earlier in 2007.

UpRight will be the Group's lead Powered Access brand in Europe, the Middle East, Africa and part of Asia. Within these markets, key machines from the Snorkel range will be sold as UpRight products, with certain lines to be manufactured at Vigo Centre in the UK, the Group's 250,000sq ft (23,000sq m) global headquarters.

In early September 2007, over 300 UpRight distributors, dealers, equipment rental companies and interested parties attended a three-day sales conference in the UK to examine both the established UpRight product portfolio and the products integrated from the Snorkel range.

The Group sold 537 UpRight machines from this event, to the value of £20m, to existing and new independent distributors, appointed either at the conference, or shortly afterwards. These sales consist almost entirely of the new, US and New Zealand built, mid-range and large booms and scissor lifts integrated from the Snorkel portfolio. The average selling price of this newly added Snorkel equipment is significantly higher than that of the current UpRight portfolio.

Market Outlook

1. Powered Access

The global market for aerial work platforms remains extremely robust. The top 20 aerial work platform manufacturers alone achieved sales of US$6.9bn in 2006; not including telehandlers (source: Access 20 study carried out by Access International magazine, April 2007) and 2007 volumes will have increased significantly.

Legislation continues to drive growth in the EU region, with the Working at Height regulations, introduced in 2005, still having a considerable impact on sales and market demand. UpRight has a well-regarded and established range of low cost, entry-level machines, such as trailer-mounted platforms, push-around lifts and small personnel lifts. These machines are usually the first bought or hired by contractors or other end users who are moving away from ladders or scaffolding and into powered access. We are also seeing anecdotal evidence from our distributor network that customers who took their first entry level machines 6 to 12 months ago and are now familiar with the concept are returning to us for larger and more sophisticated aerial work platforms. In addition we are witnessing significant demand from the replacement market – the large installed base of both UpRight and Snorkel is increasingly more aged, and customers are replacing the equipment with product they know, product they understand and product that has served them well.

Machines assimilated following the acquisition of Snorkel International, allied to the UpRight portfolio, provide Tanfield with a full line of powered access products. This is particularly attractive to larger scale independent distributors of construction equipment or aerial work platforms. Up to now, UpRight distributors have had to dual source in order to provide a full range in their territory and historically some distributors had moved away from UpRight in order to single source a full line from another manufacturer.

The complete range also presents new opportunities in the rental sector. Over 100 rental companies attended the UpRight 2007 Conference in September and initial feedback confirms that the door is open to Tanfield to tender for fleet orders. We are carefully examining this opportunity and will only enter the market for volume sales into the major European rental companies if we deem it to be commercially viable and sustainable.

All the major rental companies are predicting further significant growth during the remainder of 2007 and into 2008, particularly in markets of Germany; Spain; the Middle East; and Russia and the Baltic States.

Non-Residential Construction accounts for over 20% of all our Powered Access sales, while Residential Construction accounts for less than 1% of total sales. The main product used in residential construction is the telehandler, known in North America as the rough terrain fork lift truck. This is a complementary product to aerial work platforms and certain of the Group's competitors in Powered Access also manufacture telehandlers. Tanfield, however, does not manufacture telehandlers and our exposure to the residential market is therefore very limited.

While there has been a reported softening in residential construction, both in the US and Europe, this will have little impact on Tanfield's Powered Access Division. Evidence from the UpRight distributor network indicates that around 75% of total sales are to the Repair & Maintenance sector. In the UK, Government figures showed that R&M accounts for 44% of all construction equipment spend.

2. Zero Emission Vehicles

In the UK, growth in van sales is outstripping that of any other vehicle type. UK Government figures show that light van traffic increased by 9 per cent in Q2 2007, the highest increase of any vehicle type. Light vans accounted for 13 per cent of all motor vehicle traffic; goods vehicles 6 per cent; cars 79 per cent; and other vehicles 2 per cent (Source: National Statistics on Traffic in Great Britain, 31.08.07).

Government research also found that rigid light goods vehicles (LGVs) – such as the Smith Newton - are the most common goods vehicle over 3.5t, accounting for 39% of "freight miles" or 11.3bn vehicle km in 2006. Light van traffic has risen by 39% over the 10 year period 1996-2006; the highest growth rate of any vehicle type. 7% of all UK traffic is in London, which has 13% of the population (Source: Road Statistics 2006: Traffic, Speeds & Congestion) and we anticipate that London will remain the principal market for Smith Electric Vehicles during the rest of 2007 and into 2008.

The major market drivers for Smith's Edison vans and Newton trucks remain the economic benefit presented by the whole life cost savings of electric vehicles, along with growing governmental awareness for energy security and reduced reliance on foreign oil imports.

Environmental market drivers remain carbon emissions, air pollution and noise pollution. These are increasingly motivating legislative change in favour of electric vehicles, such as the London Congestion Charge and Low Emission Zone. 10 other urban UK regions are also introducing road pricing; Greater Manchester has already voted for a C-Charge, with Durham, the West Midlands, Tyne and Wear, Shrewsbury, Cambridgeshire and Bristol all still in the planning stages.

Outside of the UK, Singapore, Stockholm and Oslo already operate congestion charging schemes and many more cities will follow globally. China is introducing a C-Charge in downtown Shenzhen; while in the USA, the Federal Government has awarded grants of US$350m to New York for a trial scheme in Manhattan and US$180m for a pilot in San Francisco, around the Golden Gate Bridge. Washington DC is also considering introducing a similar trial.

Current Trading & Prospects

Once again, Tanfield has delivered excellent resuls and achieved high growth in both core divisions of Powered Access and Zero Emission Vehicles.

The integration of Snorkel International has progressed very smoothly and at this early stage we are already demonstrating the cross-selling opportunity, with further global sales growth possible. The Snorkel integration will now target significant cost savings through supply chain synergies with our established powered access operation, UpRight. We have strengthened the management team, grown the forward order book and worked extensively with our supply chain to gear up for increased volume, in both Powered Access and Zero Emission Vehicles.

The outlook for both key divisions remains extremely healthy. The Powered Access Division, significantly strengthened by the acquisition of Snorkel International, is poised for a new phase of sales growth, the profitability of which will be underpinned by further cost savings from production synergies. Our Zero Emission Vehicles Division remains a market leader, providing unique products that are attractive to major fleet operators in the UK, USA and mainland Europe. The financial benefits and environmental and energy security issues that drive demand are gaining worldwide momentum and we anticipate further legislation that will positively discriminate for electric vehicles in all key markets.

The foundations are now in place for further strong oprganic growth in the second half of 2007 and beyond.

Darren Kell
Chief Executive
The Tanfield Group Plc

Tanfield Group PLC

Consolidated Income Statement

For the six months ending 30th June 2007

	Unaudited 6 months to 30th June 2007 £000's		Unaudited 6 months to 30th June 2006 £000's		Audited Year ended 31 December 2006 £000's	
Revenue	36,826		16,494		40,913	
Other operating income	-		-		-	
Changes in inventories of finished goods and WIP	257		2,593		1,222	
Raw materials and consumables used	(18,291)		(10,184)		(20,275)	
Reversal of previously impaired assets	-		-		-	
Staff costs	(8,563)		(5,385)		(11,290)	
Depreciation and amortisation expense	(827)		173		816	
Other operating expenses	(4,135)		(1,622)		(5,946)	
Restructuring costs	-		(211)		(1,877)	
Profit from operations	5,267		1,858		3,563	
Finance costs	91		(126)		(105)	
Net Proft for Year	5,358		1,732		3,458	
Income tax expense	(1,500)		(485)		(846)	
Profit for the year from continuing operations	3,858		1,247		2,612	
Discontinued operations						
Loss for period from discontinued operations	-		-		(108)	
Net profit for the year	3,858		1,247		2,504	
Earnings per share						
From continuing operations						
Basic	1.32	p	0.80	p	1.10	p
Diluted	1.26	p	0.78	p	1.03	p
From continuing and discontinued operations						
Basic	1.32	p	0.80	p	1.05	p
Diluted	1.26	p	0.78	p	0.99	p

Tanfield Group PLC

Consolidated Balance Sheet
As at 30th June 2007

	Unaudited 30 Jun 07 £000's	Unaudited 30 Jun 06 £000's	Audited 31 Dec 06 £000's
ASSETS			
Non Current Assets			
Property, Plant and Equipment	4,389	4,113	3,734
Goodwill	5,143	5,143	5,143
Intangible Assets	7,417	4,183	5,792
	16,949	13,440	14,669
Current Assets			
Inventories	21,936	14,307	14,158
Trade and Other Receivables	23,568	8,191	13,833
Investments	94	-	94
Cash and Cash Equivalents	4,938	595	13,605
	50,536	23,092	41,690
TOTAL ASSETS	67,485	36,532	56,359
LIABILITIES			
Current liabilities			
Trade and Other Payables	13,373	7,957	6,801
Tax Liabilities	2,678	784	1,178
Obligations Under Finance Leases	402	366	421
Bank Loans and Overdrafts	203	695	163
Other Creditors	1,532	1,432	2,221
Provisions	-	-	-
	18,188	11,234	10,784
Non Current Liabilities			
Bank Loans	931	1,022	948
Other Creditors	288	198	310
Deferred Tax Liability	19	45	19
Obligations Under Finance Leases	384	653	549
Convertible Loan Notes	-	69	69
Provisions	262	615	262
	1,884	2,602	2,157
TOTAL LIABILITIES	20,072	13,836	12,941
Equity			
Share Capital	2,930	2,421	2,921
Share Premium Account	29,646	10,690	29,578
Share option reserve	255	308	255
Loan Stock Equity Reserve	-	6	6
Merger Reserve	1,534	1,534	1,534
Translation reserve	67	-	0
Capital Reduction Reserve	7,228	7,228	7,228
Profit And Loss Account	5,754	509	1,896
Total Equity	47,413	22,696	43,418
Total Equity & Liabilities	67,485	36,532	56,358
	0	0	0

Tanfield Group Plc

Consolidated Cash Flow Statement

For the six months ending 30th June 2007

	Note	6 months to 30th June07 £000's	6 months to 30th June06 £000's	Year ended 31st December 2006 £000's
Operating Activities				
Profit before tax and interest expense		5,267	1,858	3,455
Depreciation of property, plant and equipment		437	450	825
Write off of negative goodwill		-	(860)	(2,130)
Impairment of property, plant and equipment		-	-	-
Amortisation of intangible fixed assets		390	238	539
(Profit)/Loss on disposal of fixed assets		-	-	(7)
(Increase)/decrease in debtors		(9,657)	(1,487)	(7,031)
(Decrease)/Increase in creditors		6,539	1,957	1,708
(Decrease)/Increase in provisions		(701)	(46)	(322)
(Increase)/decrease in inventories		(7,767)	(4,434)	(4,285)
Cash used in operations	6	(5,492)	(2,324)	(7,248)
Interest paid		(80)	(126)	(208)
Tax paid		(0)	-	-
Net Cash from Operating activities		(5,572)	(2,450)	(7,456)
Investing Activities				
Acquisitions		-	(6,523)	(6,851)
Purchase of property, plant and equipment		(1,090)	(548)	(503)
Proceeds from sale of property, plant and equipment		-	-	150
Purchase of investments		-	-	(94)
Purchase of intangible fixed assets		(2,015)	-	(312)
Interest received		171	-	34
Net cash used in investing activities		(2,935)	(7,071)	(7,576)
Financing Activities				
Issue of ordinary share capital		1	9,696	29,055
Increase in bank loans and other borrowings		52	-	-
Repayment of bank loans		-	(331)	(870)
Capital element of finance leases		(183)	(335)	(567)
Net cash used in financing		(130)	9,030	27,618

Net Increase/(Decrease) in Cash and Cash Equivalents	(8,637)	(491)	12,586
Cash and cash Equivalents at beginning of Year	13,546	960	960
Cash and Cash equivalents at end of the year	4,909	469	13,546

Tanfield Group PLC

Consolidated Statement of Changes in Equity
For the six month period ended 30th June 07

	Attributable to equity holders of the company								
	Share capital £000's	**Share Option Reserve £000's**	**Share Premium £000's**	**Capital Reduction Reserve £000's**	**Loan Stock Reserve £000's**	**Merger Reserve £000's**	**Translation reserve £000's**	**Profit and Loss Account £000's**	**Total Equity £000's**
Balance at 1 January 2007	2,921	255	29,578	7,228	6	1,534	-	1,896	43,418
- prior period adjustments								-	-
- as restated	2,921	255	29,578	7,228	6	1,534	-	1,896	43,418
Exercise of share options	1	-	-	-	-	-		-	1
Net gains/(losses) not recognised in the income statement									
Issue of new share capital	-	-	-	-	-	-		-	-
Capital Reduction	-	-	-	-	-			-	-
Conversion of convertible loan notes	8	-	68	-	(6)	-		-	70
Re Translation of							67	-	67
Shares issued for consideration	-	-	-	-	-	-		-	-
Net profit for the year	-	-	-	-	-	-		3,858	3,858
Dividends									
Balance at 30 June 2007	**2,930**	**255**	**29,646**	**7,228**	**-**	**1,534**	**67**	**5,754**	**47,413**

For the six month period ended 30th June 2006

	Attributable to equity holders of the company								
	Share capital £000's	Share Option Reserve £000's	Share Premium £000's	Capital Reduction Reserve £000's	Loan Stock Reserve £000's	Merger Reserve £000's	Translation reserve £000's	Profit and Loss Account £000's	Total Equity £000's
Balance at 1 January 2006	1,905	308	1,509	7,228	6	1,534	-	(737)	11,753
- prior period adjustments								-	-
- as restated	1,905	308	1,509	7,228	6	1,534	-	(737)	11,753
Exercise of share options	15	-	14	-		-	-	-	30
Net gains/(losses) not recognised in the income statement									
Issue of new share capital	500		9,166	-		-	-	-	9,666
Capital Reduction			-	-	-		-	-	-
Conversion of convertible loan notes	-		-	-	-	-	-	-	-
Shares issued for consideration	-		-	-		-	-	-	-
Net profit for the year	-		-	-		-	-	1,247	1,247
Dividends							-		
Balance at 30 June 2006	**2,421**	**308**	**10,690**	**7,228**	**6**	**1,534**	**-**	**510**	**22,696**

4 Business Segments

For the six months ending 30.06.07

	Powered Access Platforms £000's	Zero Emmission Vehicles £000's	Engineering £000's	Consolidated £000's
Revenue				
External Sales	19,124	13,085	4,617	36,826
Inter-segment sales				
Total revenue	19,124	13,085	4,617	36,826
Result				
Segment Result before restructuring	3,464	2,069	185	5,718
Unallocated corporate expenses	-	-	-	(451)
Profit from operations	3,464	2,069	185	5,267
Finance costs	56	30	5	91
Profit before tax	3,520	2,099	190	5,358
Income tax expense	986	588	53	1,500
Profit after tax	2,534	1,511	137	3,858
Other information				
Capital additions	1,060	2,012	26	3,098
Depreciation and amortisation	303	387	156	846
Balance Sheet				
Assets:				
Segment assets	33,306	20,092	14,087	67,485
Consolidated total assets	33,306	20,092	14,087	67,485
Liabilities:				
Segment Liabilities	10,491	5,714	3,867	20,072
Consolidated total liabilities	10,491	5,714	3,867	20,072

For the six months ending 30.06.06

	Powered Access Platforms £000's	Zero Emmission Vehicles £000's	Engineering £000's	Consolidated £000's
Revenue				
External Sales	3,128	8,883	4,483	16,494
Inter-segment sales				
Total revenue	3,128	8,883	4,483	16,494
Result				
Segment Result before restructuring	367	1,279	423	2,068
Restructuring costs	211	-	-	211
Unallocated corporate expenses		-	-	-
Profit from operations	156	1,279	423	1,858
Finance costs	(24)	(68)	(34)	(126)
Profit before tax	132	1,211	389	1,732
Income tax expense	37	339	109	485
Profit after tax	95	872	280	1,247

Other information				
Capital additions	1,243	415	68	1,726
Depreciation and amortisation	(355)	433	94	173
Balance Sheet				
Assets:				
Segment assets	16,062	10,558	9,912	36,532
Consolidated total assets	16,062	10,558	9,912	36,532
Liabilities:				
Segment Liabilities	3,579	5,949	3,658	13,186
Consolidated total liabilities	3,579	5,949	3,658	13,186

For the twelve months ending 31.12.06

	Powered Access Platforms £000's	**Zero Emmission Vehicles £000's**	**Engineering £000's**	**Consolidated £000's**
Revenue				
External Sales	11,330	19,966	9,617	40,913
Inter-segment sales				
Total revenue	11,330	19,966	9,617	40,913
Result				
Segment Result before restructuring	3,530	2,224	437	6,191
Restructuring costs	(1,877)	-	-	(1,877)
Unallocated corporate expenses	-	-	-	(751)
Profit from operations	1,653	2,224	437	3,563
Finance costs	(10)	(65)	(30)	(105)
Profit before tax	1,643	2,159	407	3,458
Income tax expense	301	448	97	846
Profit after tax	1,342	1,711	310	2,612
Other information				
Capital additions	3,268	456	82	3,806
Depreciation and amortisation	(1,905)	775	313	(816)
Balance Sheet				
Assets:				
Segment assets	26,112	16,188	14,059	56,359
Consolidated total assets	26,112	16,188	14,059	56,359
Liabilities:				
Segment Liabilities	5,803	4,016	3,122	12,941
Consolidated total liabilities	5,803	4,016	3,122	12,941

Earnings per Share

Including discontinuing operations

The calculation of the basic and diluted earnings per share is based on the following data:

Earnings	6 months ended 30/06/07	6 months ended 30/06/06	Year Ended 31/12/2006
Earnings for the purposes of basic earnings per share	3,858	1,732	2,504
Effect of dilutive potential ordinary shares: - interest on convertible loan notes	-	14	14
Earnings for the purposes of diluted earnings per share	3,858	1,718	2,490
Number of shares			
Weighted average number of ordinary shares for the purposes of basic earnings per share	292,220,713	216,053,300	237,396,217
Convertible Loan Notes	-	789,474	789,474
Share Options	14,353,671	2,928,671	14,453,671
Weighted average number of ordinary shares for the purposes of diluted earnings per share	306,574,384	219,771,444	252,639,361

From continuing operations

The calculation of the basic and diluted earnings per share is based on the following data:

Earnings	6 months ended 30/06/07	Year Ended 31/12/2006	Year Ended 31/12/2006
Earnings for the purposes of basic earnings per share	3,858	1,732	2,614
Effect of dilutive potential ordinary shares: - interest on convertible loan notes	-	14	14
Earnings for the purposes of diluted earnings per share	3,858	1,718	2,600

From discontinued operations

	6 months ended 30/06/07	6 months ended 30/06/06	Year Ended 31/12/2006	
Basic	1.32	0.80	1.10	p
Diluted	1.26	0.78	1.03	p